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असाधारण

EXTRAORDINARY

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PART II — Section 2

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bills were introduced in Lok Sabha on 5th April, 2017:—

### BILL NO. 72 OF 2017

*A Bill further to amend the National Bank for Agriculture and Rural Development Act, 1981.*

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the National Bank for Agriculture and Rural Development (Amendment) Act, 2017.

Short title and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act.

61 of 1981.

2. In the National Bank for Agriculture and Rural Development Act, 1981 (hereinafter referred to as the principal Act), in the long title, for the words “small-scale industries, cottage and village industries”, the words “micro-enterprises, small enterprises and medium enterprises, cottage and village industries, handlooms” shall be substituted.

Amendment of  
long title.

Amendment  
of section 2.

**3.** In section 2 of the principal Act,—

(a) clause (i) shall be omitted;

(b) after clause (k), the following clause shall be inserted, namely:—

“(ka) “micro enterprise”, “small enterprise” and “medium enterprise”, shall have the same meanings as are respectively assigned to them in the Micro, Small and Medium Enterprises Development Act, 2006;”;

27 of 2006.

(c) in clause (q), in the *Explanation*, in clause (a), for the words “industry in the tiny and decentralised sector and small-scale industry and handicrafts”, the words “micro enterprises, small enterprises and medium enterprises, handicrafts, handlooms” shall be substituted;

(d) clause (t) shall be omitted.

Amendment of  
section 3.

**4.** In section 3 of the principal Act, in sub-section (3), for the word “Bombay”, the word “Mumbai” shall be substituted.

Amendment  
of section 4.

**5.** In section 4 of the principal Act,—

(a) in sub-section (I), for the proviso, the following provisos shall be substituted, namely:—

“Provided that the Central Government may, by notification, increase the said capital up to thirty thousand crore rupees:

Provided further that the Central Government may, in consultation with the Reserve Bank and by notification, further increase the said capital to such amount as it may deem necessary from time to time.”;

(b) for sub-section (2), the following sub-sections shall be substituted, namely:—

“(2) The capital of the National Bank which has been subscribed to by the Reserve Bank valued at twenty crore rupees as on the date immediately preceding the commencement of the National Bank for Agriculture and Rural Development (Amendment) Act, 2017 shall, on such commencement, stand transferred to, and vested in, the Central Government:

Provided that the National Bank may issue capital to such institutions and persons in such manner as may be notified by the Central Government:

Provided further that the shareholding of the Central Government shall not at any time be less than fifty-one per cent. of the total subscribed capital.

(3) The Central Government shall give to the Reserve Bank an amount equal to the face value of the subscribed capital, valued at twenty crores of rupees, referred to in sub-section (2), in cash, for transfer to, and vesting in the Central Government of the capital of the National Bank which has been so subscribed to by the said Bank.”.

Amendment of  
section 6.

**6.** In section 6 of the principal Act, in sub-section (I), in clause (b), for the words “small-scale industries”, the words “micro enterprises, small enterprises and medium enterprises” shall be substituted.

Amendment of  
section 14.

**7.** In section 14 of the principal Act, in sub-section (I), for the words “small-scale industries”, the words “micro enterprises, small enterprises and medium enterprises” shall be substituted.

Amendment of  
section 21.

**8.** In section 21 of the principal Act, in sub-section (I), in clause (v), for the words “small-scale industries, industries in the tiny and decentralised sector, village and cottage industries or of those engaged in the field of handicrafts,”, the words “village and cottage industries, micro enterprises, small enterprises and medium enterprises or of those engaged in the field of handicrafts, handlooms” shall be substituted.

**9.** In section 23 of the principal Act, for the words “small-scale industries, industries in the tiny and decentralised sector, village and cottage industries and those engaged in the field of handicrafts and other rural crafts,”, the words “village and cottage industries, micro enterprises, small enterprises and medium enterprises and those engaged in the field of handicrafts, handlooms and other rural crafts” shall be substituted.

Amendment  
of section 23.

**10.** In section 25 of the principal Act, in sub-section (I), in clause (c), for the words “small-scale industries, industries in the tiny and decentralised sector, village and cottage industries and those engaged in the field of handicrafts”, the words “village and cottage industries, micro enterprises, small enterprises and medium enterprises and those engaged in the field of handicrafts, handlooms” shall be substituted.

Amendment of  
section 25.

**11.** In section 37A of the principal Act, in sub-section (I),—

Amendment  
of section  
37A.

1 of 1956.  
18 of 2013.

(a) in the proviso, in clauses (a) and (b), for the words and figures “in section 617 of the Companies Act, 1956”, the words, brackets and figures “in clause (45) of section 2 of the Companies Act, 2013” shall be substituted;

1 of 1956.  
18 of 2013.

(b) in the *Explanation*, for the words, brackets and figures “in clause (41) of section 2 of the Companies Act, 1956”, the words, brackets and figures “in clause (77) of section 2 of the Companies Act, 2013” shall be substituted.

1 of 1956.  
18 of 2013.

**12.** In section 48 of the principal Act, in sub-section (I), for the words and figures “section 226 of the Companies Act, 1956”, the words and figures “section 141 of the Companies Act, 2013” shall be substituted.

Amendment of  
section 48.

1 of 1956.  
18 of 2013.

**13.** In section 52A of the principal Act, in sub-section (I), for the words and figures “the Companies Act, 1956”, the words and figures “the Companies Act, 2013” shall be substituted.

Amendment  
of section  
52A.

## STATEMENT OF OBJECTS AND REASONS

The National Bank for Agriculture and Rural Development Act was enacted in the year 1981 for the establishment of a development bank to be known as the National Bank for Agriculture and Rural Development (the National Bank) for providing and regulating credit and other facilities for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas for promoting integrated rural development and securing prosperity of rural areas.

2. The following factors have necessitated the amendments in the National Bank for Agriculture and Rural Development Act, 1981, namely:—

(i) with its expanding activities, the National Bank needs to be provided with additional equity from time to time to enable it to meet its objectives of promoting rural development and sustainable rural prosperity;

(ii) certain existing commitments of the National Bank relating to the long-term irrigation fund and enhanced refinance support to co-operative banks which require urgent infusion of equity;

(iii) as the current authorised capital of the National Bank is fully paid-up, there is a need to increase the authorised capital of the National Bank to enable the Central Government to infuse additional equity as and when required for the business operations of the said Bank;

(iv) the Reserve Bank of India holds 0.4 per cent. of the paid-up capital of the National Bank and the remaining 99.6 per cent. is held by the Central Government and this causes conflict in Reserve Bank of India's role as banking regulator and share-holder in the National Bank; and

(v) the employment potential in rural areas, medium enterprises and handlooms are proposed to be included in the ambit of refinance activities of the National Bank.

3. The National Bank for Agriculture and Rural Development (Amendment) Bill, 2017, *inter alia*, provides for the following namely:—

(a) to empower the Central Government to increase the authorised capital of the National Bank from five thousand crore rupees to thirty thousand crore rupees and further to increase the said amount of thirty thousand crore rupees in consultation with the Reserve Bank of India, as deemed necessary from time to time;

(b) to transfer the Reserve Bank of India's balance equity of twenty crore rupees in the National Bank to the Central Government;

(c) to amend certain clauses in the light of reference of the Micro, Small and Medium Enterprises Development Act, 2006 and the Companies Act, 2013 in the proposed legislation; and

(d) the other amendments which are consequential in nature.

4. The Bill seeks to achieve the above objectives.

NEW DELHI;  
The 28th March, 2017.

ARUN JAITLEY

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF  
THE CONSTITUTION OF INDIA

[Copy of D.O. No. F.7/1/2017-AC dated 28 March, 2017 from Shri Arun Jaitley,  
Minister of Finance to the Secretary General, Lok Sabha]

The President, having been informed of the subject matter of the National Bank for  
Agriculture and Rural Development (Amendment) Bill, 2017 has recommended the  
introduction of the said Bill in Lok Sabha under clause (1) of article 117 of the Constitution  
of India.

## FINANCIAL MEMORANDUM

Clause 5 of the Bill seeks to amend the proviso to sub-section (1) of section 4 of National Bank for Agriculture and Rural Development Act, 1981 so as to increase the authorised capital of the National Bank from five thousand crores of rupees to up to thirty thousand crores of rupees, which may be further enhanced to such amount as the Central Government may, in consultation with the Reserve Bank of India determine. The Bill, if enacted, will allow future capital infusion by the Central Government, based on actual requirement, after due appropriation authorised by the Parliament, for the said purpose.

2. It is also proposed to amend sub-section (2) of section 4 of the said Act to provide for transfer and vesting of capital of the National Bank, which has been subscribed to by the Reserve Bank of India, in the Central Government and payment by the Central Government to the Reserve Bank of India of an amount equal to the face value of the said subscribed capital of the National Bank. The face value of the subscribed capital held by the Reserve Bank of India is twenty crore rupees, which is required to be paid by the Central Government to the Reserve Bank of India if the proposed legislation is enacted and brought into force.

3. The provisions of the proposed Legislation do not involve any other recurring or non-recurring expenditure.

## BILL NO. 71 OF 2017

*A Bill further to amend the Constitution of India.*

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

**1.** (1) This Act may be called the Constitution (One Hundred and Twenty-third Amendment) Act, 2017.

Short title and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

**2.** In article 338 of the Constitution, in clause (10), the words, brackets and figures "to such other backward classes as the President may, on receipt of the report of a Commission appointed under clause (1) of article 340, by order specify and also" shall be omitted.

Amendment of  
article 338.

Insertion of  
new article  
338B.

National  
Commission  
for Backward  
Classes.

3. After article 338A of the Constitution, the following article shall be inserted, namely:—

“338B. (1) There shall be a Commission for the socially and educationally backward classes to be known as the National Commission for Backward Classes.

(2) Subject to the provisions of any law made in this behalf by Parliament, the Commission shall consist of a Chairperson, Vice-Chairperson and three other Members and the conditions of service and tenure of office of the Chairperson, Vice-Chairperson and other Members so appointed shall be such as the President may by rule determine.

(3) The Chairperson, Vice-Chairperson and other Members of the Commission shall be appointed by the President by warrant under his hand and seal.

(4) The Commission shall have the power to regulate its own procedure.

(5) It shall be the duty of the Commission—

(a) to investigate and monitor all matters relating to the safeguards provided for the socially and educationally backward classes under this Constitution or under any other law for the time being in force or under any order of the Government and to evaluate the working of such safeguards;

(b) to inquire into specific complaints with respect to the deprivation of rights and safeguards of the socially and educationally backward classes;

(c) to advise on the socio-economic development of the socially and educationally backward classes and to evaluate the progress of their development under the Union and any State;

(d) to present to the President, annually and at such other times as the Commission may deem fit, reports upon the working of those safeguards;

(e) to make in such reports the recommendations as to the measures that should be taken by the Union or any State for the effective implementation of those safeguards and other measures for the protection, welfare and socio-economic development of the socially and educationally backward classes; and

(f) to discharge such other functions in relation to the protection, welfare and development and advancement of the socially and educationally backward classes as the President may, subject to the provisions of any law made by Parliament, by rule specify.

(6) The President shall cause all such reports to be laid before each House of Parliament along with a memorandum explaining the action taken or proposed to be taken on the recommendations relating to the Union and the reasons for the non-acceptance, if any, of any of such recommendations.

(7) Where any such report, or any part thereof, relates to any matter with which any State Government is concerned, a copy of such report shall be forwarded to the Governor of the State who shall cause it to be laid before the Legislature of the State along with a memorandum explaining the action taken or proposed to be taken on the recommendations relating to the State and the reasons for the non-acceptance, if any, of any of such recommendations.

(8) The Commission shall, while investigating any matter referred to in sub-clause (a) or inquiring into any complaint referred to in sub-clause (b) of clause (5),



have all the powers of a civil court trying a suit and in particular in respect of the following matters, namely:—

- (a) summoning and enforcing the attendance of any person from any part of India and examining him on oath;
- (b) requiring the discovery and production of any document;
- (c) receiving evidence on affidavits;
- (d) requisitioning any public record or copy thereof from any court or office;
- (e) issuing commissions for the examination of witnesses and documents;
- and
- (f) any other matter which the President may, by rule, determine.

(9) The Union and every State Government shall consult the Commission on all major policy matters affecting socially and educationally backward classes.

**4.** After article 342 of the Constitution, the following article shall be inserted, namely:—

Insertion of new article 342 A.

"342A. (1) The President may with respect to any State or Union territory, and where it is a State, after consultation with the Governor thereof, by public notification, specify the socially and educationally backward classes which shall for the purposes of this Constitution be deemed to be socially and educationally backward classes in relation to that State or Union territory, as the case may be.

Socially and educationally backward classes.

(2) Parliament may by law include in or exclude from the Central List of socially and educationally backward classes specified in a notification issued under clause (1) any socially and educationally backward class, but save as aforesaid a notification issued under the said clause shall not be varied by any subsequent notification."

**5.** In article 366 of the Constitution, after clause (26B), the following clause shall be inserted, namely:—

Amendment of article 366.

“(26C) "socially and educationally backward classes" means such backward classes as are so deemed under article 342A for the purposes of this Constitution;”.

## STATEMENT OF OBJECTS AND REASONS

The National Commission for the Scheduled Castes and Scheduled Tribes came into being consequent upon passing of the Constitution (Sixty-fifth Amendment) Act, 1990. The said Commission was constituted on 12th March, 1992 replacing the Commission for the Scheduled Castes and Scheduled Tribes set up under the Resolution of 1987. Under article 338 of the Constitution, the National Commission for the Scheduled Castes and Scheduled Tribes was constituted with the objective of monitoring all the safeguards provided for the Scheduled Castes and the Scheduled Tribes under the Constitution or other laws.

2. *Vide* the Constitution (Eighty-ninth Amendment) Act, 2003, a separate National Commission for Scheduled Tribes was created by inserting a new article 338A in the Constitution. Consequently, under article 338 of the Constitution, the reference was restricted to the National Commission for the Scheduled Castes. Under clause (10) of article 338 of the Constitution, the National Commission for Scheduled Castes is presently empowered to look into the grievances and complaints of discrimination of Other Backward Classes also.

3. In the year 1992, the Supreme Court of India in the matter of Indra Sawhney and others Vs. Union of India and others (AIR 1993, SC 477) had directed the Government of India to constitute a permanent body for entertaining, examining and recommending requests for inclusion and complaints of over-inclusion and under-inclusion in the Central List of Other Backward Classes. Pursuant to the said Judgment, the National Commission for Backward Classes Act was enacted in April, 1993 and the National Commission for Backward Classes was constituted on 14th August, 1993 under the said Act. At present the functions of the National Commission for Backward Classes is limited to examining the requests for inclusion of any class of citizens as a backward class in the Lists and hear complaints of over-inclusion or under-inclusion of any backward class in such lists and tender such advice to the Central Government as it deems appropriate. Now, in order to safeguard the interests of the socially and educationally backward classes more effectively, it is proposed to create a National Commission for Backward Classes with constitutional status at par with the National Commission for Scheduled Castes and the National Commission for Scheduled Tribes.

4. The National Commission for the Scheduled Castes has recommended in its Report for 2014-15 that the handling of the grievances of the socially and educationally backward classes under clause (10) of article 338 should be given to the National Commission for Backward Classes.

5. In view of the above, it is proposed to amend the Constitution of India, *inter alia*, to provide the following, namely:—

(a) to insert a new article 338B so as to constitute the National Commission for Backward Classes which shall consist of a Chairperson, Vice-Chairperson and three other Members. The said Commission will hear the grievances of socially and educationally backward classes, a function which has been discharged so far by the National Commission for Scheduled Castes under clause (10) of article 338; and

(b) to insert a new article 342A so as to provide that the President may, by public notification, specify the socially and educationally backward classes which shall for the purposes of the Constitution be deemed to be socially and educationally backward classes.

6. The Bill seeks to achieve the above objectives.

NEW DELHI;

THAAWARCHAND GEHLOT

*The 30th March, 2017.*

## FINANCIAL MEMORANDUM

Sub-clause (2) of clause 3 of the Bill, *inter alia*, provides that the National Commission for Backward Classes shall consist of a Chairperson, Vice-Chairperson and three other Members and the conditions of service of tenure of the offices of the Chairperson, Vice-Chairperson and Members so appointed shall be such as the President may, by rule determine.

2. The requirement of funds for the establishment cost of the aforesaid Members of the Commission as well as for the existing staff of the National Commission for Backward Classes, who shall stand transferred to the establishment of the National Commission for Backward Classes constituted under article 338B will be the same as is budgeted and allocated for the National Commission for Backward Classes. The budget for the National Commission for Backward Classes for, the year 2016-17 is Rs. 4.80 crore. There shall be no additional financial implication on account of creation of the National Commission for Backward Classes, since it will not only be taking on the existing staff strength of the National Commission for Backward Classes without any increment, but also utilise the same office premises that was being used by the National Commission for Backward Classes.

## BILL NO. 70 OF 2017

*A Bill to repeal the National Commission for Backward Classes Act, 1993.*

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the National Commission for Backward Classes (Repeal) Act, 2017.

Short title and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

27 of 1993.

2. (1) The National Commission for Backward Classes Act, 1993 is hereby repealed and the National Commission for Backward Classes constituted under sub-section (1) of section 3 of the said Act shall stand dissolved.

Repeal and  
savings.

(2) The repeal of the National Commission for Backward Classes Act, 1993 shall, however, not affect,— 27 of 1993.

(i) the previous operation of the Act so repealed or anything duly done or suffered thereunder; or

(ii) any right, privilege, obligation or liability acquired, accrued or incurred under the Act so repealed; or

(iii) any penalty, confiscation or punishment incurred in respect of any contravention under the Act so repealed; or

(iv) any proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, confiscation or punishment as aforesaid, and any such proceeding or remedy may be instituted, continued or enforced, and any such penalty, confiscation or punishment may be imposed or made as if that Act had not been repealed.

(3) The mention of the particular matters referred to in sub-section (2) shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897 with regard to the effect of repeal.

10 of 1897.

## STATEMENT OF OBJECTS AND REASONS

The National Commission for Backward Classes was constituted under the National Commission for Backward Classes Act, 1993 which shall examine requests for inclusion of any class of citizens as a backward class in the lists and hear complaints of over-inclusion or under-inclusion of any backward class in such lists and tender such advice to the Central Government as it deems appropriate. The said Act does not empower the Commission to hear the grievances of Other Backward Classes.

2. *Vide* the Constitution (One Hundred and Twenty-third) Amendment Bill, 2017, by inserting a new article 338B in the Constitution, it is proposed to constitute the National Commission for Backward Classes. With the constitution of the said Commission as a constitutional body having same functions including power to hear grievances of backward classes, the National Commission for Backward Classes Act, 1993 will become redundant and it needs to be repealed. Accordingly, it is proposed to repeal the National Commission for Backward Classes Act, 1993.

NEW DELHI;

THAAWARCHAND GEHLOT

*The 29th March, 2017.*

ANOOP MISHRA  
*Secretary General*